Shortage of cement in the country

3106. SHRI N.R. GOVINDARAJAR:
SHRI KAMAL AKHTAR:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is an acute shortage of cement in the country;

(b) if so, the details thereof;

(c) the details of annual requirement of cement for domestic consumption and the year-wise production of cement by all the cement manufactures in the country;

(d) whether cement manufacturers have to squeeze supply by as much as 50 per cent;

(e) whether such move is made by the manufacturers to maintain the high prices of cement in the country; and

(f) if so, the reaction of the Government thereto and the action taken by the Government against the manufacturers found responsible therefor?

THE MINISTER OF STATE IN THE (DEPARTMENT OF INDUSTRIAL POLICY AND COMMERCE) MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (c) Recent spurt in the Prices of Cement is indicative of a mismatch between demand and supply. The production and dispatches of cement have been increasing every year. As per the Cement Manufacturers' Association, the total production of cement was 127.57 million tonnes, 141.81 million tonnes, 155.66 million tonnes and 168.31 million tonnes in 2004-05, 2005-06, 2006-07 and 2007-08 respectively. Information about demand for cement is not maintained.

(d) to (f) No, Sir. The prices of cement increased sharply between December, 2005 and March, 2007 due to mismatch between demand and supply. The Government has taken a number of measures to increase the supply of cement in the market to cater to increased demand. These include facilitating import by reducing the import duty on cement to 'Nil', removal of countervailing duty and special additional customs duty. Further, MMTC Ltd., a Government of India enterprise, TANCEM, a State Government enterprise of Tamil Nadu and M/s. Puducherry Agro Services Industries Corporation (PASIC) have been given a special dispensation to import cement under the provisions of Cement (Quality Control) Order, 2003 to enable availability of significant quantities of imported cement in the market. With these measures, the average price of cement has stabilized to a large extent showing an increase of only 4.44% between March, 2007 and March, 2008. The export of cement has also been banned.

Review of SEZ policy

3107. SHRI GIREESH KUMAR SANGHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to review and overhaul the entire policy of SEZ from sanction till implementation;

(b) whether it is a fact that Government does not allow transfer of ownership rights of land and building to the allottees by the SEZ developers; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE (DEPARTMENT OF COMMERCE) MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH); (a) No, Sir. The Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006 came into effect only from 10th February, 2006 and are currently in operation. The SEZ Rules are reviewed and amended from time to time as per requirements and three amendments have already been carried out on 10th August 2006, 16th March 2007 and 12 October, 2007.

(b) and (c) Under the Special Economic Zones, Rules, 2006, sale of land by the Developer in Special Economic Zone is not allowed. Land can be allotted by the Developer only on lease basis. This ensures legal enforcement of various reqirements of the SEZ Act and Rules on the Developer.

Shifting of software companies to SEZs

3108. SHRI KALRAJ MISHRA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that many software Information Technology Enabled Services (ITES) companies are planning to shift to SEZs because tax benefits of software technology parks will end in 2009;

(b) if so, whether the Government proposes to extend the tax benefits there itself;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) direct Tax benefits are available to Special Economic Zone (SEZ) units in accordance with the provision of Section 10AA of the Income Tax Act, 1961 which has been amended to ensure that direct tax benefits are available to only those undertakings, being a unit which is not formed by spliting up or reconstruction of a business already in existence.

Products reserved for SSI sector

3109. SHRI D. RAJA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government has decided to take 79 items out of the list of products reserved for the Small Scale Industry (SSI) sector; and

(b) if so, the details thereof and the details of the remaining items reserved for SSI sector?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR):